

(Washington, D.C.) – The Wall Street Reform and Consumer Protection Act, which passed the House of Representatives, includes several amendments offered by U.S. Rep. Rush Holt. The bill would address issues that led to the collapse of the economy, helping to monitor and ensure the stability of the economy. Holt's amendments would ensure that the new Financial Services Oversight Council that the bill creates – rather than one dominant voting member of the Council - would be the systemic risk regulator and that it would be a broad-minded think tank staffed by all of its members, including a dozen federal financial regulators like the Federal Reserve Board, the SEC, the Treasury Department, and the FDIC. Two other Holt amendments would ensure that foundational rights such as the right to attorney-client privilege are maintained.

“This bill wisely creates a Financial Services Oversight Council to monitor, study, and respond to financial companies and activities that may create systemic risk to the financial system and the broader economy,” Holt said. “This is vital to ensuring that we are never again confronted with the type of economic collapse that crashed down upon us last year.”

Holt's amendments would:

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Clarify that the systemic risk regulator created and empowered under the bill is the newly-created Financial Services Oversight Council, rather than the Board of Governors of the Federal Reserve System. The amendment would clarify that the Federal Reserve Board acts as an agent for the Council, rather than acting unilaterally.

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Strengthen the Financial Services Oversight Council by allowing all voting members of the Council to detail staff to the Council without requiring Treasury approval. The staff would remain on the payrolls of the detailing agency, pre-empting a budgetary problem for the Council.

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Clarify that financial companies cannot be compelled by the systemic risk regulator to waive any privilege (such as attorney-client privilege) when providing data at the request of the

systemic risk regulator.

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Clarify that the same protection against compelled waiver of privilege applies to private funds, investment advisors and others.

“The Committee has taken bold steps to confront the failures of our financial services regulatory system,” Holt said, “I am pleased to have worked with Chairman Frank and the Committee to fine tune their efforts.”